

POLICE AND FIRE FACILITY PROJECT

Background

- **Thank you for your past support for our project.** The 2019 tax bill included an exemption for the city's police and fire facility project. This exemption was time specific and was limited to a maximum of \$850K.
- **The Project**
 - Ensure the police and fire facilities meet service demands of today and future by:
 - Building a new fire station on city hall campus, and;
 - Remodeling and expanding existing police and fire stations to accommodate police
 - 3 Needs: Improve safety and response, accommodate growth and changing workforce, protect investments in equipment
 - Construction bids received in April, 2019 far exceeded the estimate
 - Range of bids were \$3.45M to \$6M over estimate
 - City worked through architect and construction manager to review project scope, reduced cost by \$5M through value engineering
 - Project rebid in October, 2019

Why are we back

- State Statute §297A.71 Sub 52 (3) – city's exempt status for purchases were authorized May 23, 2019 and before January 1, 2021.
- With the delay to rebid and an estimated 18 month construction timeline, the project is now estimated to be completed in the fall of 2021.
- It's estimated that 60% of the purchases will occur after January 1, 2021 (which is past the current deadline).
- Project is 2/3 completed – on time and on budget
- 300 construction workers on the project

What is the city requesting

Minnetonka is seeking support for special legislation (HF 654) to extend the date of purchases from January 1, 2021 to January 1, 2022.

***NOTE:** The city does not request a change to the statute regarding the state of Minnesota's fiscal impact/maximum exemption of \$850,000. New estimate is \$550,000

Project cost

	2019	2020
Construction Cost	\$22M	\$25M
Total Cost	\$25M	\$30M
SALES TAX EXEMPTION*	\$850K	\$850K

***NOTE:**

- 1) Total project cost - \$29,900,000
- 2) Cost of taxable materials, supplies, and equipment for the project - \$9,900,000
- 3) Taxable materials, supplies, and equipment prior to January 1, 2021 - \$350,000
- 4) Estimated remaining taxable costs spent after that date and before January 1, 2022 - \$200,000 (overall total of \$550,000 if extension granted)

Legislative Support

Minnetonka is honored to have Patty Acomb (HF 654) be the Chief Authors of this legislation. We are working with Senator Ann Johnson Stewart on the senate companion bill.

Contact Information

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